UNITED STATES DISTRICT COURT FOR THE DISTRICT OF PUERTO RICO

MINUTES OF PROCEEDINGS:

DATE: JUNE 11, 2001

BEFORE HONORABLE JAY A. GARCIA GREGORY

COURTROOM DEPUTY: Lily ALICEA CASE NO. CIV. 97-2410 (JAG)

ILIA T. PACHECO

Attorneys: JORGE SURO

VS

K-MART CORPORATION

GERARDO DE JESUS ANNONI

At the request of the parties a meeting with the Court is held to explore the possibilities of a settlement prior to the entry of judgment.

Attorney for defendant informs that the insurance adjuster is on a trip and will not return to his office until next week. In the meantime he will explore with the principal whether a settlement can be reached and inform the Court by Monday, June 18, 2001. If a settlement is not reached judgment will be entered.

Parties to be notified.